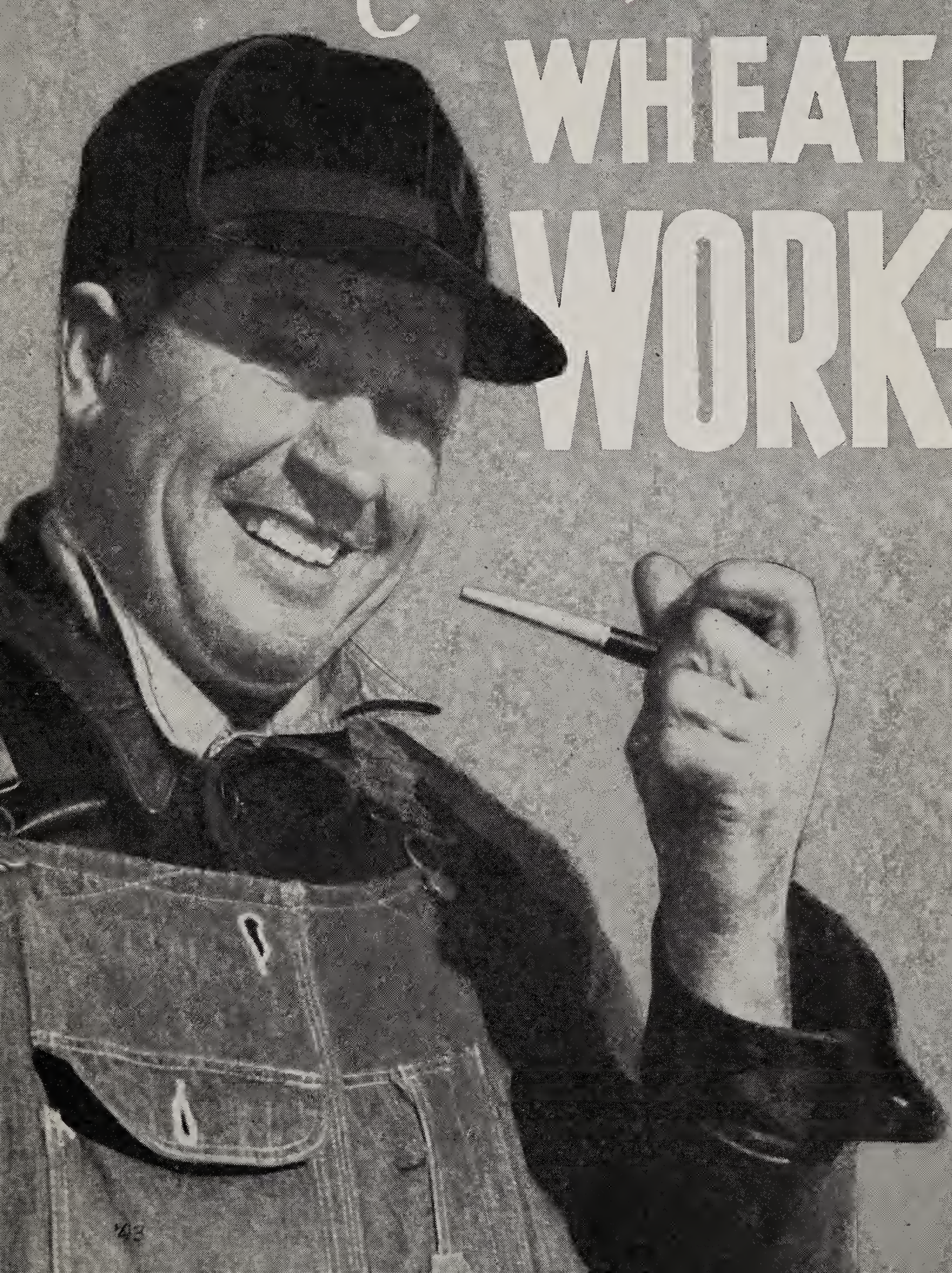
Make SURPLUS WHEAT WORK—



Is *Your* *For*

FOR YOU —

EVERY year the wheat farms of the United States turn out a flood of new wealth. Under the guiding skill of growers the land produces wheat—nearly a billion bushels of it—to go into the great markets for processing into bread, the food that is a symbol of life itself.

The wheatlands of this country have proved their ability to produce the daily bread needed by our millions of families. Never has famine—the scourge of many other civilizations—threatened this country.

The wealth that springs from our wheatlands should be enough to assure a plentiful living to the growers of this great crop. But IS your wheat crop doing its full share of work in building up the prosperity and stability of the country's farms and towns?

Growers of wheat have faced TWO hazards, either of which may lessen the ability of their crop to contribute its full share to the welfare of the grower. The first hazard is fluctuation in bushel VALUE; the second is fluctuation in PRODUCTION.

The effect of these two hazards was summed up by the farmer who said: "When I get a good crop the price goes down. When I haven't any wheat to sell, the price is good."

You don't have to look very far for examples of these twin hazards. In 1931 wheat growers harvested 941 million bushels—one of the greatest potential representations of wealth ever to come out of our wheat fields. But what happened? The price dropped to the lowest in history. Instead of increasing the buying power of the farm community, that low price actually decreased it. Wheat income dropped to 367 million dollars.

In 1934 the other hazard struck. Drought swept the Wheat Belt, wiping out nearly half of the crop. Thousands of farmers

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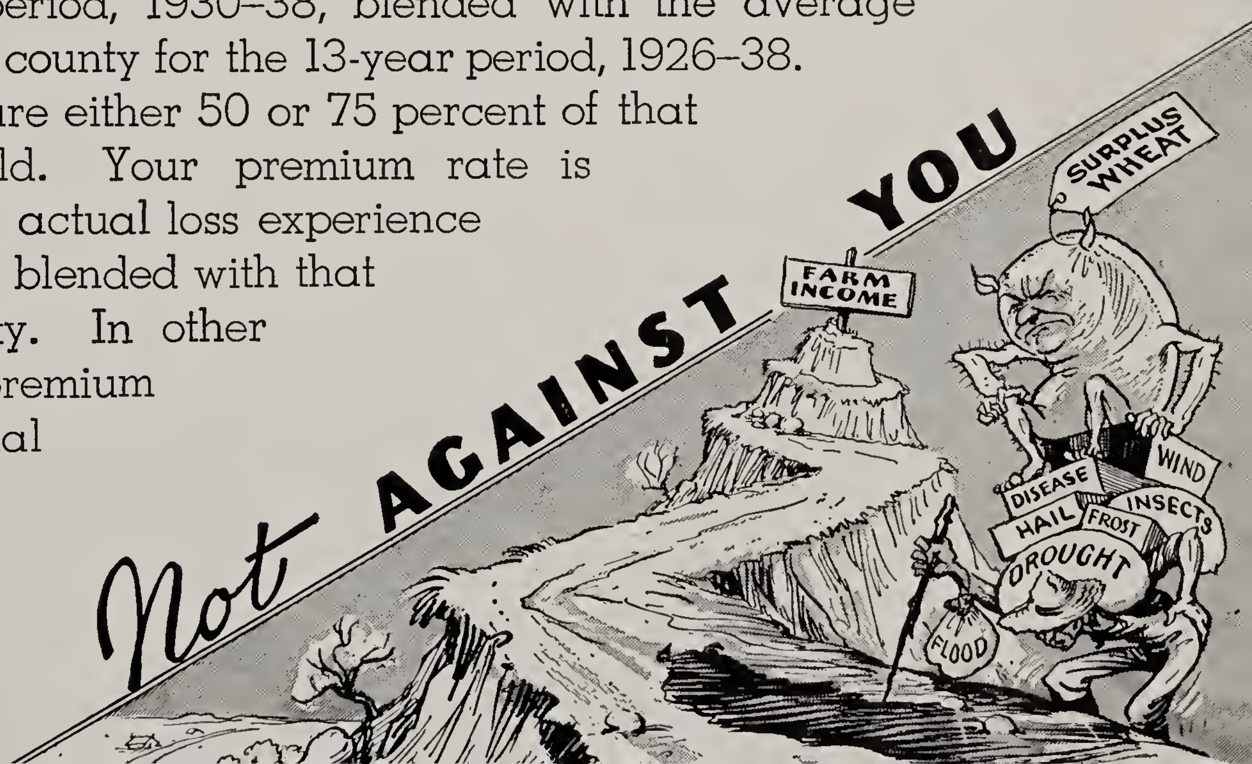
Wheat Crop Working
- or *Against* You ?

had no crop to sell at any price. Prices rose sharply. In spite of reduced yields wheat buying power that year was 446 million dollars.

It was no wonder that many growers wished: "If only we had some of that cheap wheat of 1931! If only some of that cheap surplus could be put to work for us now."

It is now possible for wheat growers to do just that. Through crop insurance, they can put aside a small portion of their good crops to purchase the assurance that they will have wheat to sell every year even though drought, flood, insects, disease, or some other unavoidable hazard robs them of a good harvest.

Here is the way wheat crop insurance works: The basic part of the crop insurance plan is a joint reserve of WHEAT, into which farmers pay premiums, and from which they may draw wheat to sell in case of crop loss. To insure your crop, make application to your county AAA committee. They will tell you exactly what yield you can insure, and how much the premium will be. Upon payment of the premium, your crop is insured against all unavoidable risks. Your average yield is determined from the history or appraised yield of your farm for the 9-year period, 1930–38, blended with the average yield of your county for the 13-year period, 1926–38. You can insure either 50 or 75 percent of that average yield. Your premium rate is based on the actual loss experience of your farm blended with that of the county. In other words, the premium is an annual payment



which, on the basis of past history of your farm and county, should be sufficient to spread your average losses below the insured amount over a 13-year period. Upon payment of the premium the protection is effective immediately. Should you suffer a complete crop loss you would be entitled to wheat from the insurance reserve, or the cash equivalent, for the entire insured amount. Should you suffer a partial loss you would be entitled to enough wheat or cash equivalent to bring your yield up to the insured amount.

As a wheat grower you know that crop failure may visit your farm in any year—even when the crop for the country as a whole is in good condition. Crop insurance will assure you of wheat to sell any and every year. And it may do more than that. History shows that had "all-risk" insurance been available to wheat growers in the past, it would not only have saved individual growers from crop loss, but in addition would have tended to INCREASE their actual income. When crop losses are widespread, wheat prices tend to be higher, and when losses are few and the crop is large, prices tend to go down. Thus over a long-time period a farmer may pay his premiums in years of cheap, surplus wheat, and may receive loss settlements in years of short wheat crops and higher prices. The wheat reserve is safeguarded by law from interfering with the free play of the supply and demand. Wheat can come into the reserve only as farmers insure crops, and can move out only to meet their losses.

In effect, when you take part in the crop insurance program, you are putting surplus wheat to work for you—instead of against you.

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The Federal Crop Insurance Corporation

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